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Agenda item 118
Review of the efficiency of the administrative and financial functioning of the United Nations

Guidelines for Internal Control Standards

Report of the Secretary-General

1. The present report is submittted pursuant to General Assembly decision 53/455, in which the Assembly took note of the report of the Secretary-General on the Guidelines for Internal Control Standards (A/52/867) and endorsed the observations and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/53/508), and requested the Secretary-General to submit a report to the Assembly at its fifty-fourth session, through the Board of Auditors and the Advisory Committee, taking into account the Guidelines for Internal Control Standards approved by the International Organization of Supreme Audit Institutions, as appropriate.

2. In its report, the Advisory Committee had noted that while the Board of Auditors' views had been sought on the Guidelines, the Board had not been invited to comment on the revised draft amendment of article X of the Financial Regulations of the United Nations proposed to read as follows:

> "Regulation 10.1 (e):
>
> "The internal control systems and procedures of the Organization should be in conformity, *mutatis mutandis*, with the Guidelines for Internal Control Standards approved by the International Organization of Supreme Audit Institutions in June 1992, or such later promulgations thereof which are acceptable to the Secretary-General."

3. However, for reasons indicated in paragraph 5 of the Advisory Committee's report, the Board had considered the revised draft amendment to the Financial Rules to be deficient. In the light of the request of the General Assembly in decision 53/455, the views of the Board of Auditors were formally solicited. The Board reviewed the submissions presented to it and confirmed its earlier position as reflected in the Advisory Committee's report (A/53/508).

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4. For its part, the Advisory Committee, in paragraph 6 of its report, had expressed the opinion that the Guidelines were too general to be operational and should be useful for those concerned in the formulation or improvement of the existing specific United Nations internal control instruments referred to in paragraph 6 of the Secretary-General's report (A/52/867). The Advisory Committee recommended that the Guidelines be publicized rather than incorporated into the Financial Regulations. Accordingly, the Administration will undertake to publicize the Guidelines as widely as possible, including on the United Nations Intranet.